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Reducing Poverty Through Growth



Fact Sheet

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Burkina Faso and Millennium Challenge Corporation Building a Partnership for Poverty Reduction through Economic Growth

The Millennium Challenge Corporations (MCC) Board of Directors has approved a five-year, \$1.5 billion compact with the Government of Burkina Faso aimed at reducing poverty and increasing economic growth. Specifically, the compact will increase investment in land and rural productivity through improved land tenure security and land management; increase the volume and value of agricultural production through investments in water management and irrigation, technical assistance to farmers, and rural credit; increase opportunities for farmers to sell agricultural goods and livestock by rehabilitating rural and primary roads; and, as an extension of Burkina Faso's successful MCC threshold program, fund the construction of three classrooms each at 100 girl-friendly schools for grades 1 through 5.

Background

Burkina Faso is a landlocked country in Africa's Sahel region with a population of over 19 million. It is one of the poorest countries in the world, ranking 187 out of 188 countries as surveyed by the United Nations Development Programs Human Development Index. In an effort to address constraints to investment, Burkina Faso has undertaken several broad macroeconomic reforms since the mid-1990s, including market-oriented reforms, decentralization of power from the central government to local governments, adoption of a new labor code and business climate improvements. In light of these efforts, in 2008, the International Finance Corporation named Burkina Faso one of the top business climate reformers in Africa. Despite these reforms and recognitions, Burkina Faso continues to face severe constraints to growth and poverty reduction.

Rural Land Governance Project (\$1.5 billion)

The rural land governance project will increase investment in land and rural productivity through improved land tenure security and land management. Specifically, the project will assist the Government of Burkina Faso to achieve its goal of a new rural land tenure framework by improving access to formal land use rights and promoting sustainable management of land resources. The project consists of the following three activities:

- ✦ *Legal and Procedural Change and Communication* to support the Government of Burkina Faso's efforts to develop and implement improved rural land legislation and other legal and procedural frameworks;
- ✦ *Institutional Development and Capacity Building* to improve institutional capacity and deliver land services in rural areas; and

- ‡ *Site-Specific Land Tenure Interventions* to ensure that the preceding two activities yield their intended benefits across municipalities and in targeted agricultural development zones.

Agriculture Development Project (\$ 10 million)

The agriculture development project will expand the productive use of land and increase the volume and value of agricultural production. The project seeks to improve poor water resource availability and management, weak beneficiary capacity and access to markets, pricing information and credit. The project consists of the following three activities:

- ‡ *Water Management and Irrigation* to ensure adequate water availability, water delivery, flood control and dam safety to support investments in the Sourou Valley and improve water resource management in the Comoé Basin;
- ‡ *Diversified Agriculture* to build on the delivery of water by supporting on-farm production and related activities throughout the agricultural value chain; and
- ‡ *Access to Rural Finance* to increase medium- and long-term credit in the four western regions of Sud-Ouest, Hauts Bassins, Cascades, and Boucle du Mouhoun.

Roads Project (\$ 10 million)

The roads project will facilitate trade and communications with regional and international markets, improve local connectivity of farms to markets and improve access to social services in rural communities through strategic improvements to the road transportation network. The project will increase access to agricultural markets by upgrading primary and rural road segments serving the Sourou Valley and the Comoé Basin, reducing travel time to markets and vehicle operating costs. The project will also ensure the sustainability of the road network by strengthening road maintenance. The project consists of the following four activities:

- ‡ *Development of Primary Roads* to support the improvements of three primary road segments in western Burkina Faso;
- ‡ *Development of Rural Roads* to support the improvement of approximately 100 kilometers of road segments located in three rural areas in the Comoé Basin of southwestern Burkina Faso;
- ‡ *Capacity Building and Technical Assistance* to reinforce the effectiveness of existing government agencies and private sector institutions involved in road maintenance planning and implementation; and
- ‡ *Incentive Matching Fund for Periodic Road Maintenance* to set the government on a path toward long-term, sustainable funding of maintenance on the full road network in Burkina Faso.

